

**CITY OF SEDONA, ARIZONA  
COUNCIL AGENDA COMMUNICATION**

**MEETING DATE:** July 12, 2005  
**AGENDA ITEM:** 7i  
**TIME TO PRESENT:**

**SUBJECT:** Approval of a city hall property management contract with John D. Miller Real Estate Services, Inc.  
**DEPARTMENT:** City Manager's Office

**ACTION REQUIRED:**  
☐ Ordinance  
☐ Resolution  
☐ Motion  
☐ Information

**BOARD/COMMISSION RECOMMENDATION:**  
☐ Approval  
☐ Denial  
☐ None Forwarded

**Project/issue relates to Strategic Plan \_\_\_\_ or Community Plan \_\_\_\_ or Not Applicable x.**

**ISSUE:** Staff is requesting Council approval of a City Hall property management contract with John D. Miller Real Estate Services, Inc. (Scott Anderson, CCIM, agent).

**BACKGROUND:** Since 2000, an Assistant to the City Manager (or Management Assistant) has handled property management issues associated with the maintenance of City Hall facilities. Due to the complex nature of the property management issues and the level of expertise involved, staff believes that at this time property management would be best handled by an outside company that specializes in these types of services. John D. Miller Real Estate Services, Inc. will provide on-call services for emergencies, handle day-to day issues, such as HVAC or plumbing problems, as well as prepare 3 and 5-year management plans to enable the City to more effectively budget for property management maintenance and long-term property management needs.

**FINANCIAL PERSPECTIVE:** In FY 2005-2006, Council approved \$34,000 for professional services and \$99,000 to handle high priority maintenance issues, such as building leaks and re-paving the driveway. John D. Miller Real Estate Services, Inc. will be compensated \$2,500 per month for the maintenance and care of the City Hall complex.

**PROS & CONS:**

Pros:

- A long-term property management plan will be developed, which will allow for better financial projections for future facility maintenance.
- A skilled, knowledgeable professional will be better equipped to handle bidding out projects.

Cons:

- Outside firm is not as familiar with the City's procurement/purchasing policies.
- Appears to add additional cost due to outsourcing. However, the City Manager's office had assumed the property management duties when there were additional staff resources such as three Management Assistants and an Assistant City Manager.

**INTERNAL PROCESS PERSPECTIVE:** Hiring an experienced outside firm will provide the City with more expertise to repair and maintain the City facility, and redirect time and energy in the City Manager's office from property management to other pertinent issues

**CITY ATTORNEY APPROVAL:** Reviewed on July 1, 2005 by Gene Neil

**CITY MANAGER RECOMMENDATION:** The City Manager recommends approval of the award of contract to John D. Miller Real Estate. I want to note that the contract is a 2-year contract. Also, the City Manager's Office contacted three local property management firms to inquire as to their interest. Two declined to provide a quote or bid due to other commitments.

**FINANCIAL SERVICES APPROVAL:**

**MOTION(S):**

I move to approve a city hall property management contract with John D. Miller Real Estate Services, Inc.

I move to deny approval of a city hall property management contract with John D. Miller Real Estate Services, Inc.

**ATTACHMENTS:**

- Contract for Property Management Services for the City of Sedona